



State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

m/41/004

Michael O. Leavitt
Governor

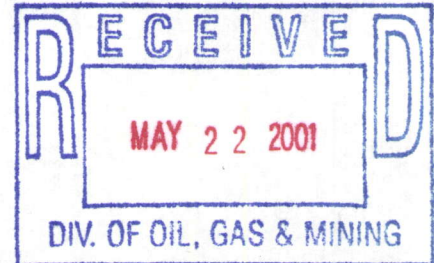
David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

May 21, 2001

General Manager
Western Clay Company
P.O. Box 1067
Aurora, UT 84620

RE: ML 29434-Limestone
S/041/004 Redmond Quarry



Dear Sir,

This letter is a follow-up to my Certified letter of May 4, 2001, requesting a bond for mineral lease ML 29434-Limestone.

I was contacted by an agent from American Insurance Company and advised that your Surety Bond No. _____ in the amount of \$5,000.00 is still in effect. The amount of the bond, however, is grossly inadequate to cover the amount of acreage currently disturbed under the mineral lease. Additional bonding is needed.

I understand that the Division of Oil, Gas & Mining is currently reviewing your permit to mine and will be estimating a Large-Mine bond for the Redmond Quarry within the next couple of months. When the bond-estimate by the Division of Oil, Gas & Mining is complete, Western Clay Company will be expected to immediately post additional bonding with the Trust Lands Administration in such amount as may be required.

Please contact me if you have any questions in this matter.

Sincerely,

John T. Blake
Mineral Resources Specialist

CC: Doug Jensen